

242.1105 Assignment of criticality designator.

- (1) Contracting officers shall—
 - (i) Assign criticality designator A to items with a priority 01, 02, 03, or 06 (if emergency supply of clothing) under DoD 4140.1-R, DoD Materiel Management Regulation; and
 - (ii) Ordinarily assign criticality designator C to unilateral purchase orders.
- (2) Only the contracting officer shall change the assigned designator.

[56 FR 36437, July 31, 1991, as amended at 67 FR 61516, Oct. 1, 2002]

242.1106 Reporting requirements.

(a) See DoDI 5000.2, Operation of the Defense Acquisition System, for reporting requirements for defense technology projects and acquisition programs. Table E3.T2. of DoDI 5000.2 specifies the earned value management system (EVMS) thresholds. When an offeror proposes an EVMS plan, follow the review procedures at PGI 242.1106(a). The Defense Acquisition Guidebook provides additional guidance on earned value management and identifies when cost/schedule status reports are applicable.

(b)(i) Within four working days after receipt of the contractor's report, the CAO must provide the report and any required comments to the contracting officer and, unless otherwise specified in the contract, the inventory control manager.

(ii) If the contractor's report indicates that the contract is on schedule and the CAO agrees, the CAO does not need to add further comments. In all other cases, the CAO must add comments and recommend a course of action.

[65 FR 39723, June 27, 2000, as amended at 70 FR 14575, Mar. 23, 2005]

242.1107 Contract clause.

(b) When using the clause at FAR 52.242-2, include the following instructions in the contract schedule—

- (i) Frequency and timing of reporting (normally 5 working days after each reporting period);
- (ii) Contract line items, exhibits, or exhibit line items requiring reports;

(iii) Offices (with addressees/codes) where reports should be sent (always include the contracting office and contract administration office); and

(iv) The following requirements for report content—

- (A) The problem, actual or potential, and its cause;
- (B) Items and quantities affected;
- (C) When the delinquency started or will start;
- (D) Actions taken to overcome the delinquency;
- (E) Estimated recovery date; and/or
- (F) Proposed schedule revision.

242.1107-70 Solicitation provisions and contract clauses.

(a) When the Government requires contractor compliance with DoD earned value management system criteria—

(1) Use the provision at 252.242-7001, Notice of Earned Value Management System, in solicitations; and

(2) Use the clause at 252.242-7002, Earned Value Management System, in solicitations and contracts.

(b) Use the clause at 252.242-7005, Cost/Schedule Status Report, in solicitations and contracts that require cost/schedule status reports (*i.e.*, when the Contract Data Requirements List includes DI-MGMT-81467).

(c) Use the provision at 252.242-7006, Cost/Schedule Status Report Plans, in solicitations that require cost/schedule status reports.

[70 FR 14575, Mar. 23, 2005]

Subpart 242.12—Novation and Change-of-Name Agreements

242.1203 Processing agreements.

The responsible contracting officer shall process and execute novation and change-of-name agreements in accordance with the procedures at PGI 242.1203.

[70 FR 67920, Nov. 9, 2005]

242.1204 Agreement to recognize a successor in interest (novation agreement).

(i) When a novation agreement is required and the transferee intends to incur restructuring costs as defined at

242.1402

213.205-70, the cognizant contracting officer shall include the following provision as paragraph (b)(7) of the novation agreement instead of the paragraph (b)(7) provided in the sample format at FAR 42.1204(i):

“(7)(i) Except as set forth in subparagraph (7)(ii) below, the Transferor and the Transferee agree that the Government is not obligated to pay or reimburse either of them for, or otherwise give effect to, any costs, taxes, or other expenses, or any related increases, directly or indirectly arising out of or resulting from the transfer or this Agreement, other than those that the Government in the absence of this transfer or Agreement would have been obligated to pay or reimburse under the terms of the contracts.

(ii) The Government recognizes that restructuring by the Transferee incidental to the acquisition/merger may be in the best interests of the Government. Restructuring costs that are allowable under Part 31 of the Federal Acquisition Regulation (FAR) or Part 231 of the Defense Federal Acquisition Regulation Supplement (DFARS) may be reimbursed under flexibly-priced novated contracts, provided the Transferee demonstrates that the restructuring will reduce overall costs to the Department of Defense (DoD) (and to the National Aeronautics and Space Administration (NASA), where there is a mix of DoD and NASA contracts), and the requirements included in DFARS 231.205-70 are met. Restructuring costs shall not be allowed on novated contracts unless there is an audit of the restructuring proposal; a determination by the contracting officer of overall reduced costs to DoD/NASA; and an Advance Agreement setting forth a cumulative cost ceiling for restructuring projects and the period to which such costs shall be assigned.”

[60 FR 1749, Jan. 5, 1995, as amended at 61 FR 16882, Apr. 18, 1996; 65 FR 63805, Oct. 25, 2000]

Subpart 242.14—Traffic and Transportation Management

242.1402 Volume movements within the contiguous United States.

(a)(2) In reporting planned and actual volume movements—

(A) The contracting officer—

(1) Provides production schedules and planned destinations to the servicing transportation office as soon as the information is available to permit the transportation office to determine if volume movements will occur. If a volume movement appears likely, the transportation office reports a planned

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volume movement in accordance with DoD 4500.9-R, Defense Transportation Regulation, Part II, Chapter 201.

(2) Sends a copy of the volume movement report to the contract administration office.

(B) The contract administration office submits a volume movement report when—

(1) Significant changes are made to the movement requirements; or

(2) The contracting office did not submit a report.

(C) Include the destination country, freight forwarder, and, if known, port of embarkation on volume movement reports for foreign military sale shipments.

[56 FR 36437, July 31, 1991, as amended at 65 FR 50143, Aug. 17, 2000]

242.1403 Shipping documents covering f.o.b. origin shipments.

(a)(i) Procedures for the contractor to obtain Government bills of lading are in the clause at 252.242-7003, Application for U.S. Government Shipping Documentation/Instructions.

(ii) The term “commercial bills of lading” includes the use of any commercial form or procedure.

[56 FR 36437, July 31, 1991, as amended at 65 FR 50144, Aug. 17, 2000]

242.1404 Shipments by parcel post or other classes of mail.

242.1404-1 Parcel post eligible shipments.

(b)(1) See DoD 4525.8-M, DoD Official Mail Manual.

[56 FR 67220, Dec. 30, 1991]

242.1404-2 Contract clauses.

When using FAR 52.213-1, Fast Payment Procedures, do not use FAR clauses 52.242-10, F.o.b. Origin—Government Bills of Lading or Prepaid Postage, or 52.242-11, F.o.b. Origin—Government Bills of Lading or Indicia Mail.

242.1404-2-70 Additional clause.

Use the clause at 252.242-7003, Application for U.S. Government Shipping Documentation/Instructions, when using the clause at FAR 52.242-10, F.o.b. Origin—Government Bills of